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C O N F I D E N T I A L SECTION 01 OF 02 TAIPEI 000414

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TAGS: [PREL](#) [PGOV](#) [ETRD](#) [ECON](#) [CH](#) [TW](#)

SUBJECT: CHEN OFFERS MIXED MESSAGES ON CROSS-STRAIT AGENDA

Classified By: AIT Director Douglas Paal, Reason: 1.4 (B/D)

¶11. (C) Summary: President Chen Shui-bian delivered contradictory messages on his cross-Strait policy agenda during a January 31 meeting with AIT Board Director David Brown in Guam. Chen characterized the recent charter flight agreement as a "new beginning" in cross-Strait relations and praised Beijing's decision to send Taiwan Affairs Office (TAO) Deputy Director Sun Yafu to the February 2 funeral of long-time Strait Exchange Foundation (SEF) Chairman C.F. Koo. However, Chen delivered a tough message over Beijing's plans for an Anti-Secession Law, warning that Taiwan would react strongly if the PRC did not back down. Chen also asserted that Beijing may use the proposed law to legally define its territorial boundaries, a move that could challenge the U.S.-Japan alliance. In response, Brown welcomed President Chen's skillful handling of the charter flight issue, but cautioned that if Taiwan reacts too strongly over the Anti-Secession Law, it could risk being labeled as the source of future cross-Strait tensions. In a subsequent meeting with Guam's Congressional Delegate, Madeleine Bordallo, President Chen reiterated his May 20, 2004 pledge not to change Taiwan's legal status during the process of "re-engineering" Taiwan's constitution. He also promised that his 2000 "Five No's" pledge would remain in effect until the end of his term in office. End Summary.

¶12. (C) During a brief transit through Guam on his return from Palau to Taipei on January 31, President Chen Shui-bian exchanged views on cross-Strait policy and U.S.-Taiwan relations with AIT Board Director David Brown. Chen was joined by Foreign Minister Mark Chen, Government Information Office Director-General Lin Chia-lung, Overseas Chinese Affairs Commission Minister Chang Fu-mei, and Presidential Office Deputy Secretary General James Huang. Brown was accompanied by AIT/T Acting Deputy Director and Deputy Pol Chief.

Progress on Cross-Strait Ties

¶13. (C) President Chen asserted that his overriding political priorities for the coming four years are to heal internal divisions within Taiwan and ease tensions across the Taiwan Strait. Chen noted that the U.S. and Japan fought a bitter and costly battle over Guam in 1944, but 60 years later the two countries have formed the closest alliance in the world. "If the United States and Japan can do this," Chen continued, "so can Taiwan and Mainland China." Chen characterized the recent agreement to open direct charter flights for the Lunar New Year as a "new beginning" in the cross-Strait relationship. He added that with no major election scheduled in Taiwan for another two years, Beijing and Taipei have an opportunity to broaden consultations to cover a range of economic and technical issues. Chen also praised the PRC's decision to send State Council TAO Deputy Director Sun Yafu to attend the February 2 funeral of long-time SEF Chairman C.F. Koo.

But Dangers Ahead

¶14. (C) Chen asserted, however, that the PRC's plans to enact an Anti-Secession Law threatened to undermine all of these positive developments. Chen downplayed the significance of PRC People's Political Consultative Conference Chairman Jia Qinglin's January 28 speech marking the 10th anniversary of Jiang Zemin's "Eight Points" Taiwan policy. "We should focus on what China has done over the past 10 years, not what they say," Chen stated. "In 1996 they fired missiles at Taiwan, in 2000 their leaders tried to intimidate Taiwan's voters, and now they want to pass an Anti-Secession Law," he added. Chen warned that if Beijing passes this law in March, it will create a sharply negative reaction in Taiwan that could not be controlled by the government and push the island further away from the Mainland. Chen commented that in 2003 500,000 people came out in Hong Kong to protest proposed revisions to Article 23 of the Basic Law. "If Beijing proceeds with the Anti-Secession Law," Chen added, "we can expect more than a million people to take to the streets." Chen said that the government would also come under pressure to enact an "Anti-Annexation Law" or hold a referendum to protest PRC actions if Beijing refuses to back down on its plans. "This

is not something we would like to see happen," Chen remarked.

15. (C) Brown praised Chen's skillful handling of the charter flight initiative, and welcomed his offer of a "new beginning" in cross-Strait relations. Brown added that the PRC's plans for the Anti-Secession Law are also of great concern to the USG and American China specialist community. Nevertheless, Brown urged Taiwan to exercise restraint in its response to Beijing. Should Taipei take the sorts of actions the president referred to, Brown continued, Taiwan may find itself blamed -- fairly or not -- for any resulting increase in tensions.

16. (C) Chen responded that this was a public problem, not a government one. "We are a democracy and the fact is the people cannot tolerate this law," Chen asserted, "the government cannot stop the Legislative Yuan from passing an Anti-Annexation Law and we cannot stop the people from demanding a referendum." Chen continued that Beijing's proposed law was not only a threat to Taiwan, but also to the United States and Japan. Chen asserted that Beijing is seeking to legally define Taiwan's relationship with the Mainland, an act that would violate President Bush's stated opposition to unilateral changes in the status quo. "Beijing wants to be the referee in addition to being one of the players," he stated. Chen added that Beijing may also use the law to define the PRC's territorial limits, a move that could bring it into direct conflict with Japan over disputed islands in the East China Sea.

U.S.-Taiwan Relations: Room for Growth

17. (C) Turning to U.S.-Taiwan relations, Chen offered congratulations to President Bush on his January 20 inauguration. He praised President Bush's call to expand democracy and freedom around the globe and promised that Taiwan would be America's best partner in this endeavor. Chen added that Taiwan would not take U.S. support for granted, and promised that Taiwan will do its share to provide for its own defense. In this context, Chen expressed optimism that the three items contained in the Special Defense Procurement Budget (diesel submarines, P-3C aircraft, and PAC-III Patriot missile batteries) would be funded by the new Legislative Yuan (LY). On the economic front, Chen welcomed the USG decision to restart Trade and Investment Framework Agreement (TIFA) talks and promised to accelerate consultations on telecommunications and other outstanding bilateral trade issues. He also thanked the USG for moving Taiwan off the USTR's 301 priority watch list in recognition of Taipei's crackdown on IPR violations.

Constitutional Reform to Remain Within Limits

18. (C) During a subsequent meeting with Guam Congressional Delegate Madeleine Bordallo, Chen emphasized his commitment to the cross-Strait status quo. Chen rejected PRC accusations that his timetable for constitutional reform amounted to a timetable for independence. Chen reiterated his May 20, 2004 pledge that the process of constitutional "re-engineering" would not result in a change to Taiwan's name or territorial definition. He added that his 2000 "Five No's" pledge would remain in effect throughout his term in office. Chen said that any proposed constitutional change would be conducted under procedures outlined in the current constitution, which require approval by three-quarters of the LY. Chen repeated these same assurances during a speech on the evening of January 31 to Guam community leaders (Septel).

19. (U) David Brown and Rep. Bordallo did not have an opportunity to clear this message.

PAAL